

PUBLIC DISCLOSURE

MAY 4, 2011

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

COMMERCE BANK & TRUST COMPANY

CERT # 17484

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WORCESTER, MA 01615

Division of Banks

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Federal Deposit Insurance Corporation

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NOTE:	This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.
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GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") and the Federal Deposit Insurance Corporation ("FDIC") to use their authority when examining financial institutions subject to their supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agencies must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **Commerce Bank & Trust Company ("Commerce Bank" or the "Bank")** prepared by the Division and the FDIC, the institution's supervisory agencies as of **May 4, 2011**. The agencies evaluate performance in the assessment area(s), as they are defined by the institution, rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in Massachusetts regulation 209 CMR 46.00. The FDIC rates the CRA performance institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345 of the FDIC's Rules and Regulations.

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory."

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Large Bank CRA procedures were utilized for the evaluation. The assigned rating is based on the results of three performance tests: the Lending Test, Investment Test, and the Service Test. The Bank's performance under each of these tests is summarized below:

***Lending Test:* The Lending Test is rated "Satisfactory."**

- The Bank's lending activity reflects adequate responsiveness to the credit needs in its assessment area.
- A less than adequate number of the Bank's loans are inside the assessment area, as only 44.1 percent of the Bank's small business loans are inside the assessment area. The loans originated by 1-800-East-West Mortgage Company ("East-West"), the Bank's wholly-owned subsidiary, are not reflected in this analysis.
- The geographic distribution of residential loans reflects an adequate dispersion throughout the assessment area, specifically within low- and moderate-income census tracts. The distribution of small business loans is good, with the Bank's percentage in the low-income tracts considered very good.
- The Bank achieved a good penetration of loans among borrowers of different income levels (including low- and moderate-income) and an adequate penetration of loans to businesses of different revenue sizes based on the demographics of the assessment area and a comparison to aggregate data.
- The Bank made an adequate level of community development loans.
- The Bank makes limited use of flexible lending programs.

***Investment Test:* The Investment Test is rated "Satisfactory."**

- The Bank made an adequate level of qualified equity investments and a good level of grants and donations. The Bank occasionally used innovative/complex investments. Overall, the Bank exhibited adequate responsiveness to its assessment area.

Service Test: The Service Test is rated “Satisfactory.”

- Delivery systems are accessible to essentially all portions of the institution’s assessment area(s).
- To the extent changes have been made, the Bank’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate- income geographies and/or to low- and moderate- income individuals.
- Services (including, where appropriate, business hours) do not vary in a way that inconveniences certain portions of the assessment area(s), particularly low- and moderate-income geographies and/or individuals.
- The institution provides an adequate level of community development services given its size and resources.

LENDING, INVESTMENT, AND SERVICE TEST TABLE:

The following table indicates the performance level of the institution with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	COMMERCE BANK		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory**			
Satisfactory**	X	X	X
Needs to Improve			
Substantial Noncompliance			

*Note: The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

**Note: FDIC rules and regulations stipulate use of a “high satisfactory” and “low satisfactory” rating for the three tests to categorize performance within a “satisfactory” range. For purposes of this jointly issued public evaluation, the term “satisfactory” will be used in lieu of the low satisfactory rating for the three tests.

PERFORMANCE CONTEXT

Description of Institution

Commerce Bank is a Massachusetts state-chartered, commercial financial institution headquartered in Worcester, Massachusetts. The Bank is a wholly-owned subsidiary of Commerce Bancshares Corp., a one-bank holding company. The Bank has one wholly-owned subsidiary, East-West that the Bank acquired in November 2000.

In addition to its main office located at 386 Main Street in Worcester, the Bank operates 12 full-service banking locations in Massachusetts. Branches are located in Holden (1); Leominster (1); Marlborough (1); Milford (1); Worcester (4); Shrewsbury (1); Webster (1); Westborough (1); and West Boylston (1).

The Bank is a full-service financial institution offering a wide variety of products and services. Commercial customers can choose from an array of savings, checking, and investment account services, as well as a full line of financing options, including working capital lines of credit, equipment loans, commercial real estate loans, asset-based lines of credit, commercial and industrial loans, government guaranteed loans (Small Business Administration), automobile floor plans, and construction loans. The Bank also offers cash management and other specialized services, such as sweep accounts, account reconciliation services, payroll processing services, ACH origination, zero balance accounts, and remote deposit services. Retail customers can choose from a variety of deposit product offerings, including checking, savings, and retirement accounts.

The Bank offers an assortment of secured and unsecured consumer credit products such as home equity loans and lines of credit, personal loans, home improvement loans, recreational loans, airplane loans, and automobile loans.

The Bank had total assets of \$1.5 billion, as of March 31, 2011. Assets increased approximately \$613 million, or 40.2 percent, since September 30, 2006. As of September 30, 2006, net loans totaled almost \$363 million and represented 39.8 percent of total assets. Currently, net loans total approximately \$739 million and comprise 48.5 percent of total assets. Net loans increased \$376 million, or 103.7 percent, since September 30, 2006.

Table 1 illustrates the current distribution of the Bank's loan portfolio.

Table 1 -Loan Portfolio Distribution as of March 31, 2011		
Loan type	Dollar Amount \$(000s)	Percent of Total Loans (%)
Construction and Land Development	38,239	5.1
1-4 Family Residential (includes HELOCs)	55,803	7.6
Multi-Family (5 or more) Residential	4,531	0.6
Commercial	258,628	35.0
Total Real Estate Loans	357,201	48.3
Commercial and Industrial	340,361	46.1
Consumer	37,724	5.1
Other	3,705	0.5
Total Loans	738,991	100.0

Source: Consolidated Report of Condition and Income (Call Report)

As depicted in Table 1, the Bank's loans are primarily concentrated in commercial real estate (35.0 percent) and commercial and industrial loans (46.1 percent).

There are no financial or legal impediments that would limit or impede the Bank's ability to meet the credit needs of its community or delineated assessment area. As of March 31, 2011, the Bank's net loan-to-deposit ("LTD") ratio was 57.6 percent, representing a decrease from the prior CRA Public Evaluation, dated December 6, 2006, where the LTD ratio was 68.8 percent. According to Bank management, the Bank holds a large number of payroll accounts which tend to affect year-end balances which, in turn, affects the LTD ratio. In addition, the Bank experienced significant deposit growth since the last examination, outpacing loan growth. Management attributes this to a changing marketplace where Commerce Bank is the only local commercial bank remaining in the area.

The Bank operates in an extremely competitive lending environment. Competition includes loan production offices, banks, mortgage companies, credit unions, and other entities seeking home mortgage and small business loans. In 2009, 69 lenders reported a total of 9,984 small business loans in Worcester County. Additionally, 96 lenders reported 26,029 small business loans in Middlesex County, where the Bank has some lending presence. The top lenders in the assessment area are national lending companies with significant market share in the assessment area.

In 2009, 409 lenders reported a total of 32,562 home mortgage loans within the Bank's assessment area. Competitors operating within the Bank's assessment area include Bay State Savings Bank; Commonwealth National Bank; Fidelity Co-operative Bank; Workers Credit Union; and Webster Five Cents Savings Bank. Larger regional and national banks, such as Bank of America; Sovereign Bank; TD Bank; CitiBank; and Wells Fargo Bank, also have a presence within the assessment area and contribute to the high level of competition.

The Bank's CRA performance was deemed "Satisfactory" by the FDIC and Division at the December 4, 2006 evaluation.

Description of Assessment Area

The CRA requires financial institutions to define an assessment area within which its CRA performance will be evaluated. The Division and the FDIC evaluate an institution's CRA performance based upon the defined assessment area. Commerce Bank defined the municipalities of Auburn, Berlin, Boylston, Clinton, Douglas, Dudley, Fitchburg, Grafton, Holden, Hopedale, Hudson, Lancaster, Leicester, Leominster, Lunenburg, Marlborough, Milford, Millbury, Northborough, Oakham, Oxford, Paxton, Princeton, Rutland, Shrewsbury, Southborough, Sterling, Upton, Webster, Westborough, West Boylston, Westminster and Worcester. Hudson and Marlborough are located in Middlesex County, within the Cambridge-Newton-Framingham MA-MD (Metropolitan Division). All other towns are located in Worcester County, which is part of the Worcester MA-MSA (Metropolitan Statistical Area). The assessment area as currently defined meets the technical requirements of the CRA regulation since it (1) consists of one or more political subdivisions, (2) includes the geographies where the Bank has its main office, branches, and deposit-taking ATMs, as well as the surrounding geographies in which the institution originated a substantial portion of its loans, (3) consists of whole census tracts, (4) does not extend substantially beyond state borders, (5) does not reflect illegal discrimination, (6) does not arbitrarily exclude low and moderate income areas.

Based on 2000 United States (U.S.) Census Data, the total population of the assessment area is 608,733 persons. Of the total population, 7.1 percent reside in low-income census tracts, 18.0 percent are in moderate-income tracts, 51.5 percent are in middle-income tracts, 23.3 percent are in upper-income census tracts, and 0.1 percent reside in the unclassified tract.

Providing further insight into the demographic composition of the assessment area population is the number of families at each income level. According to the 2000 Census, of the 155,458 families in the assessment area, 20.6 percent are low-income, 17.7 percent are moderate-income, 22.4 percent are middle-income, and 39.1 percent are upper-income. Additionally, 7.0 percent of the assessment area families are below the poverty level. The HUD adjusted Median Family Income ("MFI") for the assessment area was \$81,208 in 2009 and \$81,335 in 2010. HUD publishes annual estimates of MFI that are adjusted for inflation and other economic events.

Housing units within the assessment area total 242,536, of which 144,004, or 59.4 percent, are owner-occupied, and 85,516, or 36.5 percent, are rental units. Of the owner-occupied units within the assessment area, 1.7 are in low-income tracts, 11.7 percent are in moderate-income census tracts, 57.8 percent are in middle-income tracts, and 28.8 percent are in upper-income tracts. A total of 9.1 percent are vacant units.

Table 2 provides demographic and economic information pertaining to the Bank's assessment area.

Table 2- Demographic Information						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	131	9.2	19.1	51.2	19.8	0.7
Population by Geography	608,733	7.1	18	51.5	23.3	0.1
Owner-Occupied Housing by Geography	144,004	1.7	11.7	57.8	28.8	0.0
Family Distribution by Income Level	155,458	20.6	17.7	22.4	39.3	0.0
Distribution of Low and Moderate Income Families throughout AA geographies	59,471	11.6	25.9	49.6	12.9	0.0
HUD Adjusted MFI (2010) - Worcester, MA MSA		\$79,900	Median Housing Value		\$148,211	
HUD Adjusted MFI (2010) - Cambridge-Newton-Framingham, MA MD		\$98,700	Unemployment Rate		6.3%	
HUD Adjusted MFI-2009 (Combined AA)		\$81,028				
HUD Adjusted MFI-2010 (Combined AA)		\$81,335				
Households Below Poverty Level		23,076				

Source: 2000 U.S. Census data; HUD 2009 and 2010 MFI

Currently, the assessment area is comprised of 131 census tracts, of which 12 are low-income; 25 are moderate-income; 67 are middle-income; and 26 are upper-income geographies. The remaining census tract is unclassified with respect to income designation. This tract is located in the Town of Grafton (census tract 7384.00) and contains the Tufts University School of Veterinary Medicine and two youth facilities: Grafton Job Corps (GJC) and the Department of Social Services Key Program. These facilities comprise most of the census tract and are the reason that no income category is assigned. Since this census tract has nominal population and does not contain any households, there is little, if any, residential and commercial loan demand.

The 12 low-income census tracts are located in Worcester (10) and Fitchburg (2). Of the 25 moderate-income tracts, 13 are located in Worcester; 2 are located in Leominster; 4 are located in Fitchburg; 2 are located in Webster; 2 are located in Marlborough; 1 located in Milford; and 1 located in Dudley. Community development opportunities are concentrated through these areas, primarily in Worcester.

The Worcester, MA-MSA's unemployment rate increased from 2007 through 2010 from 4.1 percent to 9.1 percent. Similarly, during the same time period, the U.S. unemployment rate increased from 4.6 percent to 9.3 percent, and Massachusetts unemployment rate increased from 4.4 percent to 8.5 percent, respectively. At December 31, 2010, the unemployment rate for Worcester County was 8.8 percent and Middlesex County was 6.5 percent; with both counties showing a reduction in unemployment rate from the fourth quarter of 2009.¹

Table 2 displays the median housing value in the assessment area according to the 2000 Census. More recent data obtained from the *Warren Group*, Publisher of Banker and Tradesman indicated that the 2009 and 2010 median housing values in the assessment area ranged from a low of \$125,000 to a high of \$482,500. Prices generally increased from 2009 to 2010, with an average median sales price of 224,000 in 2009 to 227,500 in 2010. The highest median sale price was in the Town of Southborough at \$482,500 in 2010. The lowest median sale price was in the City of Fitchburg at \$125,000 in 2010.

According to Dun & Bradstreet, there were 49,266 businesses in the assessment area in 2009. The highest proportion of these business establishments are engaged in the service industry. Businesses involved in retail trade and finance, insurance, and real estate also make up a significant share of the establishments. When analyzed by census tract level, 6.8 percent of all businesses are in the low-income census tracts, 19.7 percent are in the moderate-income census tracts, 48.6 percent are in the middle-income census tracts, and 24.8 percent are in the upper-income census tracts. By size of business, 36,723, or 74.5 percent of total businesses had annual sales of \$1 million or less, 2,901, or 5.9 percent had annual sales of greater than \$1 million, and the remainder, 9,656, or 19.6 percent, had unknown annual sales.

Local Economic Conditions

The Worcester Regional Research Bureau's November 2010 report, entitled *Benchmarking Economic Development*, revealed several relevant economic factors listed below:

- The average value of a single-family home in the City of Worcester decreased from \$248,144 in 2008 to \$206,517 in 2010, representing a decrease of 16.8 percent.
- Worcester's commercial/industrial tax rate increased 33 percent from 2006 to 2010. This is more than double the residential rate.
- The value of new construction in the City of Worcester decreased by almost 52 percent since 2006 from almost \$262 million to \$126 million in 2010. From 2009 to 2010, the value of new residential growth in Worcester decreased from 55.1 million to \$39.5 million, and commercial/ industrial growth decreased from \$111.1 million to \$87 million.
- Average monthly employment in Worcester decreased to 95,507 in 2009. The net loss of 2,632 jobs was a decrease of 2.7 percent from 2008.
- From 2008 to 2010, the occupancy rate for office space in downtown Worcester decreased from 88.4 percent to 81.2 percent.
- In October 2010, there were a total of 478 vacant commercial and residential properties in Worcester, or 80 more compared to a year earlier.

¹ Bureau of Labor Statistics

To help alleviate some of the adverse economic conditions in and around Worcester, several economic development projects are proposed, underway, or completed. These projects are designed to help stimulate private investment, create new jobs, and generate new tax revenues. Significant projects in the area include:

- A \$563 million CitySquare initiative to redevelop the Worcester Common Outlet Mall into a mixed-use residential, retail, office, and entertainment center.
- In July 2008, the City Manager launched “Buy Worcester Now”, a public/private partnership that strives to promote home ownership in the City of Worcester by offering potential buyers a number of incentives such as below-market interest rates, no or low down payments, waived or discounted attorney fees, among others.
- Rehabilitation of the School Department building on Shrewsbury Street into a restaurant and office space.
- In September 2009, the Neighborhood Stabilization Program was launched with a total \$12 million in funding to be used to purchase and rehabilitate vacant and foreclosed properties, demolish chronic problem properties, upgrade current properties, and transform the People in Peril shelter into a referral-only shelter.

Overall, the economy in the assessment area appears stable. Services, manufacturing, and retail trade are the three primary industries. The largest employer in the assessment area is the University of Massachusetts Memorial Medical Center and Medical School.

Community Contact:

As part of the evaluation process, third parties that are active in community affairs are contacted to assist in assessing the housing and business needs in the Bank’s assessment area(s). Relevant information from this practice assists in determining whether local financial institutions are responsive to the credit needs of the community, and whether additional opportunities are available.

Two community contacts were conducted in conjunction with this CRA evaluation. One contact was conducted with a community action agency focused on improving education, achieving financial stability and promoting healthy lives. The contact stated that there is an overwhelming population of individuals that it serves in its district below the poverty level. This is a direct result of high unemployment. The contact was generally satisfied with the financial institution’s involvement within the community, but did suggest more support for the BuyWorcester Now Program that offers 100 percent financing along with other incentives for individuals that buy homes in the Worcester area.

The second community contact was conducted with a social service agency that helps people live as full and independent lives as possible. The agency provides services that include job training and employment, rehabilitation services, as well as services geared toward youth leadership and advocacy. As stated in the previous contact, economic conditions like unemployment and foreclosure have really pushed more and more families to the poverty level. The need for shelter and food assistance has never been greater. The contact was generally positive of the financial institution’s involvement in the community.

Based on the area’s demographics and the insights gained through discussions with management and the community contacts, the assessment area has no one primary credit need. The area’s residents need a variety of retail loan products to meet personal needs and an array of home financing programs for the purchase, construction, improvement, or refinance of a residence. The area’s business base also requires numerous commercial credit options to meet a wide variety of financing purposes.

SCOPE OF EXAMINATION

This evaluation was conducted jointly by the Division and the FDIC. Large Bank CRA evaluation procedures were used to assess the Bank's CRA performance. These procedures utilize three performance tests: the Lending Test, Investment Test and the Service Test. The CRA evaluation considered activity from January 1, 2008 to May 1, 2011. The applicable timeframes for the loan product line reviews are described in the paragraphs that follow.

Home mortgage loans originated by the Bank in 2009 and 2010 and reported on the Bank's Loan Application Register ("LAR"), pursuant to the Home Mortgage Disclosure Act ("HMDA"), were included in the analyses. Home mortgage loans originated by the Bank's affiliate East-West in 2009 and 2010 and reported on the affiliate's LAR, pursuant to the HMDA, were also included in the analyses.

Small business loans originated by Commerce Bank in 2009 and 2010 are included in the analyses. Small business loans, for the purposes of this evaluation, include commercial real estate loans and commercial and industrial loans with original balances of \$1 million or less disclosed on the Bank's Consolidated Report of Condition and Income. Information concerning small business loans was obtained from the Bank's CRA Loan Registers (LRs), which are submitted annually to the Federal Reserve Bank. East-West does not originate small business loans.

Small farm and consumer loans were not reviewed as part of this evaluation, as these portions of the loan portfolio make up a minimal percentage of the Bank's total lending activity.

Although both the number and dollar volume of the Bank's home mortgage and small business loans were reviewed, the number of originations was weighed more heavily than the dollar volume. This is because the number of loans is less likely to have been influenced by factors such as business size, applicant income level, or varying real estate values within the Bank's assessment area. If dollar volume was emphasized, higher income borrowers or geographic areas would generally appear to receive a larger percentage of loans simply because each loan is likely to be a larger dollar amount.

The 2009 and 2010 lending data is presented in the Assessment Area Concentration, Geographic Distribution, and Borrower Profile tables. The Bank's lending performance in 2009 will receive the most focus, as this is the most recent year for which aggregate HMDA lending data is available (aggregate lending data). The aggregate lending data is used for comparison purposes within the evaluation and is a measure of loan demand. It includes lending information from all HMDA reporting lenders that originated loans in the Bank's assessment area. Home mortgage lending data for 2010 is referenced in the narrative to illustrate trends in the Bank's lending data.

According to the CRA regulation, the Assessment Area Concentration performance criterion does not consider loans made by affiliates (wholly-owned subsidiary) when determining the proportion of an institution's lending in its assessment area, even if the institution elects to have its affiliate lending considered in the remainder of the Lending Test performance evaluation. Therefore, the Assessment Area Concentration only considers the Bank's performance and not East-West. However, the remainder of the evaluation combines all lending activity of the Commerce Bank and East-West and will be referred to, collectively, as the Bank or Commerce Bank in all other lending performance tests.

Qualified community development loans, innovative and/or flexible lending practices (product innovation), and community development services were generally reviewed from January 1, 2008 to May 1, 2011. Qualified community development equity investments and deposits held by the Bank were also included regardless of investment date. The investments were valued as of March 31, 2011.

The Bank's assessment area is located in the Worcester, MA MSA and the Cambridge-Newton-Framingham, MA MD. In order to comply with the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (IBBEA), the Federal Financial Institutions Examination Council (FFIEC) interagency CRA examination procedures require the FDIC to evaluate the Bank's overall performance within its assessment area and to separately describe the Bank's activities in each metropolitan area in which the Bank has a branch office. Thus, separate analyses were conducted for the Worcester, MA MSA and the Cambridge-Newton-Framingham, MA MD.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The Lending Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by considering an institution's home mortgage, small business, and community development lending. The institution's lending efforts were rated pursuant to the following performance characteristics: (1) the volume of lending activity; (2) the proportion of lending within the assessment area; (3) the dispersion of loans and the number and amount of loans in low-, moderate-, middle- and upper-income geographies in the assessment area; (4) the distribution of loans among borrowers of low-, moderate-, middle- and upper-income levels and businesses of different sizes; (5) the volume of community development lending; and (6) the use of innovative or flexible lending practices.

Lending Activity

Commerce Bank's lending activity reflects an adequate responsiveness to the assessment area's credit needs. The Bank actively originates home mortgage, small business, and community development loans in its assessment area.

Assessment Area Concentration

This performance criterion measures the percentage of the Bank's lending that benefited assessment area residents and businesses, and evaluated the adequacy of such lending. As stated previously, the CRA regulation, under this performance criterion, does not take into account loans made by affiliates when determining the proportion of an institution's lending in its assessment area, even if the institution elects to have its affiliate lending considered in the remainder of the Lending Test. Therefore, the lending figures presented in Table 3 include only those home mortgage and small business loans originated by Commerce Bank, and do not include home mortgage loans by East-West. As previously noted, East-West does not originate small business loans.

Commerce Bank originated a less than adequate percentage of its home mortgage and small business loans within its assessment area during the evaluation period.

As illustrated in Table 3, in 2009 and 2010, the Bank originated a total of 412 home mortgage and small business loans totaling \$91 million, with 191, or 46.4 percent, by number, and approximately \$31 million, or 33.6 percent by dollar volume, originated within the Bank's delineated assessment area. Each loan type is further analyzed and depicted in Table 3.

Table 3 - Distribution of Loans Inside and Outside of the Assessment Area										
Loan Category or Type	Number of Loans					Dollars in Loans \$(000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Mortgage Loans										
2009	12	85.7	2	14.3	14	569	86.1	92	13.9	661
2010	13	68.4	6	31.6	19	1,469	10.4	12,610	89.6	14,079
Subtotal	25	75.8	8	24.2	33	2,038	13.8	12,702	86.2	14,740
Small Business Loans										
2009	78	51.0	75	49.0	153	10,291	36.5	17,894	63.5	28,185
2010	89	39.4	137	60.6	226	18,420	38.1	29,962	61.9	48,382
Subtotal	167	44.1	212	55.9	379	28,711	37.5	47,856	62.5	76,567
Total	192	46.6	220	53.4	412	30,749	33.7	60,558	66.3	91,307

Source: HMDA LAR and CRA LR data (2009 and 2010).

Home Mortgage Lending

In 2009 and 2010, Commerce Bank reported only 12 and 13 loans, totaling \$569,000 and almost \$1.5 million, respectively, inside its assessment area. Combined, the home mortgage loans represent 75.8 percent, by number, and 13.8 percent, by dollar amount. No substantial differences were noted when analyzing data by product type. Note that these percentages reflect home mortgage lending by the Bank only and do not include any home mortgage loans originated by East-West. As noted previously, the CRA regulation does not allow the inclusion of affiliate lending in the evaluation of this performance criterion. This evaluation; however, has taken into consideration the Bank's business strategy of home mortgage lending through an affiliate in order to determine whether a low proportion of home mortgage lending in the assessment area(s) should adversely affect the Bank's lending test rating.

Based on 2009 aggregate market, a total of 409 lenders reported home mortgage loans in the Bank's assessment area. As Table 3 depicts, Commerce Bank's home mortgage lending volume is low; however, combining the home mortgage loan data with East-West, the Bank ranked 44th with an aggregate market share of .6 percent by both number and dollar volume. Aggregate market data is not available for 2010.

Small Business Lending

As depicted in Table 3, in 2009, Commerce Bank originated 78 small business loans totaling \$10 million inside its assessment area, representing 51.0 percent, by number, and 36.5 percent, by dollar amount, respectively.

In 2009, a total of 109 lenders reported small business loan originations in the Bank's assessment area. Commerce Bank ranked 26th, with a market share of .3 percent, by number, and ranked 25th, with a market share of 0.9 percent, by dollar amount. As mentioned previously, small business market share data is somewhat inflated, as it includes larger national lenders that originate smaller loans, typically under a business credit card arrangement. Further, the small business market ranks capture lending activity at the county level.

In 2010, Commerce Bank originated 89 small business loans within its assessment area, representing 39.4 percent by number. Although the percentage, by number, decreased, the percentage of small business loans originated inside the assessment area, by dollar volume, increased to 38.1 percent. This is an increase from \$10.3 million in 2009 to \$18.4 million, representing an increase of 79.0 percent in small business loan dollar volume within the assessment area.

Geographic Distribution

The geographic distribution of loans was reviewed to assess the Bank's performance in addressing credit needs throughout its assessment area. For this analysis, the Bank's performance was combined with the performance of East-West. The primary focus of this analysis was to assess loan distribution in the assessment area, with emphasis placed on lending in low- and moderate-income census tracts.

The geographic distribution of home mortgage and small business loans reflects adequate distribution throughout the Bank's assessment area during the evaluation period.

Home Mortgage Lending

Overall, the Bank's total home mortgage lending demonstrates an adequate geographic distribution of loans, particularly to low- and moderate-income geographies, in its assessment area in 2009 and 2010, as depicted in Table 4.

Table 4 - Number Distribution of Home Mortgage Loans by Income Category of the Census Tract									
Census Tract Income Level	% of Total Owner-Occupied Housing Units	2009 Aggregate Lending Data		2009 Bank Lending Data		2010 Bank Lending Data		Total Bank Lending Data	
		#	%	#	%	#	%	#	%
Low	1.7	474	1.5	3	1.4	2	0.9	5	1.2
Moderate	11.7	2,914	8.9	32	15.3	12	5.7	44	10.5
Middle	57.8	17,406	53.5	115	55.1	118	55.7	233	55.3
Upper	28.8	11,756	36.1	59	28.2	80	37.7	139	33.0
Total	100.0	32,550	100.0	209	100.0	212	100.0	421	100.0

Source: U.S. Census (2000), HMDA LAR 2009 and 2010; Aggregate Data (2009).

In 2009, the Bank originated home mortgage loans in 90 of its 131 census tracts. The Bank's lending, by number, as a percentage of total loans in low- and moderate-income census tracts was 1.4 percent and 15.3 percent, respectively. This performance is consistent with the 2009 aggregate market's lending in low-income census tracts, and the percentage of owner-occupied housing units. The Bank also exceeded the aggregate in moderate-income tracts and the percentage of owner-occupied housing units.

Additional analysis was conducted on home mortgage loans originated in 2009, by dollar volume. The analysis revealed the Bank's lending, in low- and moderate-income census tracts, by dollar volume as a percentage, was 1.0 percent and 13.8 percent, respectively. Again, this performance was consistent with the 2009 aggregate market, by percentage, in the low-income census tracts. The Bank again exceeded the aggregate in the moderate-income tracts. In terms of dollar amount, the Bank's performance in 2009 in the low- and moderate-income census tracts was \$416,000 and \$6 million, respectively.

A review of the 2010 lending activity revealed that Commerce Bank originated loans in 2 of the 12 low-income census tracts, and 9 of the 25 moderate-income tracts. The Bank's home mortgage lending, by number, as a percent of the total loans in low- and moderate-income census tract was .9 percent and 5.7 percent, respectively. This lending performance, by number and percentage in the low- and moderate-income census tracts, is down compared to the Bank's home mortgage lending in 2009. The decline is attributed to economic conditions and competition. As stated previously, aggregate market data is not available for 2010; therefore, market share information could not be analyzed for this year.

Small Business Lending

The geographic distribution of the small business loans reflects a good dispersion throughout the assessment area. Summarized in Table 5 is the distribution of the small business loans by census tract income.

Table 5 - Distribution of Small Business Loans by Census Tract Income									
Year	# of Bank	Percent of Bank Loans				Percent of Aggregate Lending			
	Loans	Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
2009	78	16.7	16.7	42.3	24.3	2.8	14.3	50.9	29.7
2010	89	16.9	16.9	50.6	15.7				
Grand Total	167	16.8	16.8	46.7	19.8				
Demographics	#	Distribution of Businesses							
		Low	Moderate	Middle	Upper				
Businesses	49,266	6.8	19.7	48.6	24.8				

SOURCE: 2009 and 2010 CRA Small Business Loan Registers, 2009 Peer Small Business Data and 2009 Business Geodemographic Data

As shown in Table 5, the Bank extended 16.7 percent of small business loans in 2009 within the low-income census tracts of the assessment area. This performance by number of loans is much higher than the aggregate lending data at 2.8 percent. Market share reports for small business loans made in 2009 for counties of which at least a portion is within the Bank's assessment area indicate that Commerce Bank ranked 13th in terms of total market share throughout low-income census tracts.

The Bank also made 16.7 percent of small business loans in 2009, by number, in moderate-income census tracts, which was slightly higher than the aggregate, at 14.3 percent. The distribution of small business loans throughout low- and moderate-income geographies in 2010 is consistent with the Bank's performance in 2009.

Lending performance in the low-income census tracts is excellent, as the percentage of the Bank's loans in the low-income census tracts is twice the percentage of businesses operating in those areas, and the fact that the Bank is outperforming the aggregate. The strong performance in the low-income areas is attributed in part to the Bank's emphasis on developing relationships with the community development groups operating in the low- and moderate-income census tracts. Lending within the moderate-income tracts is similar to the aggregate and below the number of businesses; however, the Bank's overall performance is good.

Lending to Borrowers of Different Income Levels and Businesses of Different Sizes

The distribution of loans by borrower income and business revenue was reviewed to determine the extent to which the Bank is addressing the credit needs of the area's residents and small businesses. Based on the review of the HMDA LARs and the CRA Small Business LR, the Bank achieved an adequate penetration, overall, of loans among retail customers of different income levels and businesses of different sizes based on the area's demographics and/or a comparison to aggregate lending data in the assessment area.

Low-income is defined by the U.S. Census Bureau as income below 50 percent of the MFI level for the MSA. Moderate-income is defined as income between 50 percent and 79 percent of the MFI level for the MSA. Middle-income is defined as income between 80 percent and 119 percent of the median income. Upper-income is defined as income equal to or greater than 120 percent of the median income.

The borrowers' reported incomes for 2009, and 2010 were compared to the MFIs for the assessment area. The income figures are based on estimated HUD information. The Bank's distribution of loans by revenue were evaluated and compared to demographic and aggregate data. Additionally, the small business loans were evaluated by size, and compared to 2009 small business aggregate data. Given that the primary business focus of the institution, with loans from East-West, is residential lending, the distribution of these loans was weighted more heavily than commercial lending.

Home Mortgage Lending

The Bank's residential lending data reflects good penetration among the area's low-, moderate-, middle-, and upper-income borrowers, particularly low- and moderate-income borrowers. See Table 6 for information concerning the distribution of loans by borrower income.

Table 6- Distribution of Home Mortgage Loans by Borrower Income								
Borrower Income Level	Family Distribution by Income Level	2009 Aggregate Lending Data	2009 Bank Lending Data		2010 Bank Lending Data		Total Bank Lending Data	
		%	#	%	#	%	#	%
Low	24.0	6.2	19	9.1	12	5.7	31	7.4
Moderate	15.3	18.7	50	23.9	38	17.9	88	20.9
Middle	19.3	23.7	47	22.5	60	28.3	107	25.4
Upper	41.4	35.2	61	29.2	99	46.7	160	38.0
N/A	0.0	16.2	32	15.3	3	1.4	35	8.3
Total	100.0	100.0	209	100.0	212	100.0	421	100.0

Source: 2000 U.S. Census Data; 2009 and 2010 HMDA LARs; Aggregate Lending Data (2009)

In 2009, the Bank's performance in lending to both low- and moderate-income borrowers demonstrates a good penetration among individuals of different income levels.

Table 6 reveals that 9.1 percent of the Bank's home mortgage loans originated in 2009 was granted to low-income borrowers, surpassing that of the aggregate market, at 6.2 percent. While the Bank's performance was below the percentage of low-income family households, at 24.0 percent, this is explained, in part, by the high percentage of households living below the poverty level. It would be difficult for these individuals to qualify for a conventional mortgage, even under flexible underwriting guidelines.

Additional analysis was conducted in 2009, by dollar volume. The analysis revealed the Bank's lending to low- and moderate-income individuals, by dollar volume as a percentage, was 4.51 percent and 20.65 percent, respectively. The Bank compared favorably to the aggregate. In terms of dollar volume, in 2009 the Bank originated almost \$2 million and \$9 million to low- and moderate-income individuals, respectively.

In 2009, the Bank ranked 25th in lending to low-income borrowers in the assessment area with a market share of 0.9 percent. The top lenders to low-income borrowers in the assessment area were Bank of America with a 14.1 percent share, Flagstar Bank with a 3.7 percent share and Sovereign Bank with a 3.4 percent share.

In 2009, the Bank ranked 21st in lending to moderate-income borrowers in the assessment area with a market share of 1.0 percent. The top lenders to moderate-income borrowers in the assessment area were Bank of America with a 13.9 percent share, Citibank with a 6.0 percent share and Wells Fargo Funding with a 4.4 percent share.

In 2010, Table 6 indicates that 5.7 percent of the total number of the Bank's home mortgage loans was originated to low-income borrowers. The Bank's performance was well below the percentage of low-income family households, at 24.0 percent; however, this disparity was again attributed to the percentage of households living below the poverty level.

Table 6 also indicated that 17.9 percent, by number, of home mortgage loans originated in 2010 were granted to moderate-income borrowers, below the aggregate market performance at 18.7 percent, but higher than the percentage of moderate-income family households by income level of 15.3 percent. Aggregate data was not available for 2010.

Small Business Loans

The Bank had adequate penetration of small business loans to businesses of different sizes. Refer to Table 7 for information concerning the distribution of small business loans by revenue.

Table 7 - Distribution of Small Business Loans to Business with Revenues under \$1 million								
Year	Bank Loans				Percent of Aggregate Lending			
	#	%	\$ (000)	%	#	%	\$ (000)	%
2009	53	67.9	4,744	46.1	9,476	26.4	343,933	26.7
2010	49	55.1	6,536	35.5				
Grand Total	102	61.1	11,280	39.3				
Demographics	#	Business Revenue Size						
		Under \$1 million	Over \$1 million	Not Reported				
Businesses	49,266	74.5	5.9	19.6				

SOURCE: 2009 and 2010 CRA Small Business LRs, 2009 Peer Small Business Data and 2009 Business Geodemographic Data

As shown in Table 7, the Bank originated 102 small business loans (61.1 percent) to businesses with GARs of \$1 million or less. This percentage is lower than the percentage of businesses in that revenue category; however, aggregate lending data for 2009 was used for small business lending comparison purposes. The data showed that the aggregate originated approximately 26.4 percent of its small business loans to businesses with GARs under \$1 million.

In 2010, the percentage of loans to businesses with revenues under \$1 million declined slightly and remains below the percentage of businesses in that revenue category. There is no aggregate data available for comparison purposes.

As mentioned previously, the Bank faces considerable competition, primarily from large financial institutions that offer credit cards and small dollar loans. In 2009, 165 small business lenders made loans in Worcester and Middlesex Counties. In addition, the current economic climate has made it difficult to originate loans. For these reasons, the Bank's penetration of small business loans is considered reasonable.

The Bank has an adequate penetration of small business loans by loan size. In 2009, the Bank originated 78 small business loans. Approximately 71.8 percent of the loans were originated in amounts less than \$100,000. Demand for smaller dollar amounts is typically higher among the area's smaller businesses. Commerce Bank's high percentage of loans under \$100,000 indicates the Bank's desire to serve the area's small businesses.

In 2010, the distribution of small business loans by loan amount was slightly lower but the Bank continues to originate a high percentage of its loans in amounts under \$100,000.

Community Development Lending

As defined in the CRA regulation, a community development loan has as its primary purpose: affordable housing for low- and moderate-income individuals; community services targeted to low- and moderate-income individuals; activities that promote economic development by financing small businesses or small farms; or activities that revitalize or stabilize low- and moderate-income geographies. Furthermore, the loan must benefit the Bank's assessment area or a broader statewide area that also includes the assessment area. Loans required to be reported as home mortgage loans or small business loans cannot also be reported as community development loans unless the loan is for a multifamily dwelling (five or more units), meets a community development definition, and benefits the Bank's assessment area or a broader statewide area that includes the assessment area.

The institution's community development lending activities are evaluated pursuant to the following criteria: (1) the extent to which community development lending opportunities have been made available to the institution; (2) the responsiveness of the institution's community development lending; and (3) the extent of leadership the institution has demonstrated in community development lending.

The Bank has an adequate level of community development loans. Please refer to Table 8 for a summary of the community development lending.

Table 8 - Community Development Loans						
Community Development Category	2008		2009		2010	
	#	\$	#	\$	#	\$
Affordable Housing for Low- and Moderate-Income	0	0	1	150,000	2	595,000
Community Services for Low- and Moderate-Income	1	1,750,000	1	750,000	1	175,000
Revitalize Low- and Moderate Income Census Tracts	1	4,000,000	1	250,000	1	3,140,000
Total	2	5,750,000	3	1,150,000	4	3,910,000

The following are examples of significant community development projects funded by the Bank.

In 2008, the Bank originated a \$1.75 million working capital line of credit to a social service agency that provides education, outreach, and advocacy to children and adults living with disabilities, regardless of ability to pay. The majority of the program recipients are low- or moderate-income.

In 2008, the Bank originated a \$4 million loan to a non-profit organization (church) for the purpose of refinancing five existing properties. Three of the five properties are located in either low- or moderate-income tracts. One of the five properties houses a community development organization that serves the needs of low- and moderate-income individuals and families.

In 2009, the Bank originated a \$750,000 working capital line of credit. The line of credit went to a non-profit organization that provides a variety of services, including home and community programs to low- and moderate-income elderly residents enabling them to live safe and productive lives.

In 2010, the Bank originated a loan for \$3.1 million to a non-profit organization (church) for the purpose of financing renovations to its community center. The center is located in a low-income tract and is used to provide various services and programs aimed at assisting low- and moderate-income individuals and families.

In 2010, the Bank renewed a \$395,000 loan for the acquisition and construction of 9 units of affordable housing. The borrower is a non-profit agency that develops affordable housing projects in Worcester County and provides technical assistance and loan capital to community organizations.

Innovative or Flexible Lending Products

Commerce Bank makes limited use of innovative and/or flexible lending practices in order to serve the assessment area's credit needs. The Bank offers a special mortgage loan programs tailored to assist low- and moderate-income people install energy efficient heating systems. The Bank also offers several loan products tailored towards small businesses. The small business products represent in-house loan products and those offered through the Small Business Administration (SBA). Loans originated under these programs were reported on the Bank's HMDA LARs and CRA Small Business LRs. The programs are described here in order to highlight the innovative and flexible underwriting standards used to originate loans for low- and moderate-income people and to businesses of different sizes.

Residential Loans

- *Mass Save HEAT Loan Program:* The program provides no-interest loans to eligible homeowners for the installation of qualified energy-efficient improvements in their homes. Eligible energy-efficient improvements include: attic, wall, and basement insulation; high-efficiency heating systems; high-efficiency hot water systems; solar hot water systems; 7-day digital programmable thermostats; and energy star qualified replacement windows. Loans up to \$25,000 are available from Commerce Bank for both owner-occupied and non-owner-occupied properties on 1-4 family units. During the current evaluation period, the Bank originated 18 loans totaling \$117,471. Additionally, the Bank originated 14 loans after the evaluation period totaling \$134,346.

Small Business Loans

- *Small Business Administration (SBA):* The Bank offers SBA loans through the 7A Guaranty Loan Program. The purpose of a SBA loan is to provide financing for small businesses that are unable to obtain conventional financing. The SBA is able to provide longer terms, which are often not available on a conventional loan. A borrower may need these terms in order to have sufficient cash flow to pay for the proposed loan payments. Additionally, a borrower may choose SBA financing to preserve working capital on the acquisition of real estate or equipment. Under SBA, the borrower can inject as little as 70 percent into the project. The loan amounts can be as high as \$2 million, with the government providing a 75 percent guaranty. Loans under \$150,000 carry an 85 percent guaranty. The terms of the loan vary with the purpose: working capital – up to 7 years; machinery, equipment, furniture, and fixtures – 5 to 10 years; and purchase or major renovation of real estate – up to 25 years. Commerce Bank is certified as an Express Lender and Preferred Lender by the SBA. These designations assist financial institutions in streamlining the procedures necessary to provide financial assistance to the small business community. During the evaluation period, Commerce Bank originated 67 SBA loans totaling approximately \$7.3 million. It should be noted that Commerce Bank is one of the top SBA lenders in Massachusetts and the largest in Central Massachusetts.

- *Dealer Floor Plan:* In 2010, the SBA asked the Bank to offer the Dealer Floor Plan Program sponsored by the SBA. The minimum loan amount is \$500,000 and the maximum is \$5 million. The SBA provides a 75 percent guarantee. The proceeds of the loan can be used to finance a dealer's floor plan for boats, automobiles, motorcycles, manufactured homes, and RVs. The SBA provides 100 percent financing on new or used inventory that can be titled. Commerce Bank made 1 loan for \$500,000 under this program.

INVESTMENT TEST

The Investment Test evaluates the institution's record of helping to meet credit needs through qualified investments that benefit the assessment area or a broader statewide or regional area that includes the Bank's assessment area(s). A qualified investment is defined as a lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Community development purposes include those that either: 1) Provide affordable housing for low- or moderate- income individuals or areas; 2) provide community services targeting low- or moderate-income individuals or areas; 3) promote economic development by financing small businesses; or, 4) revitalize or stabilize low- or moderate-income geographies. Activities considered under the Lending or Service Tests may not be considered under the Investment Test.

The institution's investment performance is evaluated pursuant to the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; and, 4) the degree to which the qualified investments are not routinely provided by private investors. Per the regulation, qualified investments include all those acquired or made since the previous CRA examination, dated December 4, 2006, as well as those investments made prior to the previous evaluation and still held by the institution.

Commerce Bank has an adequate level of qualified equity investments and a good level of grants and donations, with an overall satisfactory responsiveness to credit and community economic development needs of the assessment area.

QUALIFIED INVESTMENTS

Equity Investments

As of March 31, 2011, the Bank's qualified investments total approximately \$6.6 million; and included mortgage backed securities and an investment in the Access Capital Strategies Community Investment Fund (ACSCIF). Commerce Bank purchased only one new qualified equity investment during the evaluation period. Descriptions of the Bank's equity investments are provided below.

Federal National Mortgage Association (FNMA) Mortgage-Backed Securities

The Bank continues to maintain FNMA mortgage-backed securities funded by loans made to borrowers with incomes of less than 80 percent of the respective MFI where the homes securing the loans are located in Worcester County. As of March 31, 2011, Commerce Bank reported approximately \$1.6 million in these targeted investments.

Access Capital Strategies Community Investment Fund, Inc.

On November 20, 2005, Commerce Bank committed \$2 million to the ACSCIF. The ACSCIF is a SEC-registered fund structured as a business development corporation. The primary purpose of the fund is to provide a secondary market and financing vehicle for community development loans. The fund invests in private placement debt securities that support affordable housing, education, small business loan securitizations, and other job-creating investments within a targeted region specified by the investing institution. The Bank's designated target region for this investment is Massachusetts. The Bank funded \$1 million on December 1, 2005 and made subsequent purchases in January and February 2006 to fully fund its original commitment of \$2 million. On July 28, 2010, the Bank funded an additional \$3 million to the ACSCIF, bringing their combined investment to \$5 million.

Table 9 details the prior and new equity Investments:

Table 9-Qualified Equity Investments			
Instrument	Purchase Date	Acquisition Cost	Book Value (3/31/11)
<i>Prior Investments</i>			
FNMA #704184	5/14/2003	\$1,973,136	\$279,829
FNMA #701135	4/14/2003	\$2,056,101	\$238,672
FNMA #786521	7/15/2004	\$1,077,834	\$467,653
FNMA #786522	7/15/2004	\$1,041,043	\$575,150
ACSCIF	12/1/2005	\$1,000,000	\$1,000,000
ACSCIF	1/3/2006	\$500,000	\$500,000
ACSCIF	2/1/2006	\$500,000	\$500,000
Totals		\$8,148,114	\$3,561,304
<i>New Investments</i>			
ACSCIF	7/28/2010	\$3,000,000	\$3,000,000
Grand Total		\$11,148,114	\$6,561,304

Charitable Contributions

During the review period, the Bank provided \$364,478 in charitable contributions to numerous organizations within its assessment area. Of this amount, \$203,165, or 55.7 percent, was donated in support of activities that promote community development as defined under the CRA. The Bank's qualified donations as a percentage of pre-tax net operating income (NOI) for the evaluation period was 7.5 percent in 2008, 1.7 percent in 2009, and 4.4 percent in 2010. The Bank's donations assisted numerous organizations that provide education and training, affordable housing, youth programs, and health and human services benefiting low- and moderate-income individuals and families.

Table 10 displays the total number and dollar value of CRA qualified donations and grants. The table breaks out contributions according to each organization's purpose, including those that provide services for low- and moderate-income individuals, promote affordable homeownership, support small business or economic development, and revitalize low- and moderate-income areas.

Table 10- Community Development Grants & Donations										
Community Development Category	2008		2009		2010		2011 YTD		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$
Affordable Housing	0	0	2	3,000	0	0	0	0	2	3,000
Community Services	8	25,600	14	21,500	21	61,965	7	28,750	50	137,815
Economic Development	1	10,000	1	250	1	500	0	0	3	10,750
Revitalization	2	50,250	2	850	1	500	0	0	5	51,600
Total	11	85,850	19	25,600	23	62,965	7	28,750	60	203,165

Contributions made by the Bank supported an array of charitable organizations throughout the assessment area. The following is a sample of the organizations that benefited from donations made by the institution.

- *Abby's House*- A non-profit organization that provides emergency shelter, long-term housing, and supportive services for homeless and battered women and children. Abby's House has helped thousands of women and children make their way out of homelessness.
- *Worcester County Food Bank*- The food bank collects, inspects, and stores donated food and grocery products. The food is distributed through a network of 216 partner agencies to help feed hungry people living in 60 cities and towns in Central Massachusetts. The food bank serves as an advocate for agencies that provide hunger-relief services and offers resources such as nutrition education, safe food handling, and maintenance information. The food bank also provides the following programs: Second Serving Food Rescue, Nutrition Education, and Community Kitchen.
- *YMCA of Central Worcester*- The YMCA serves more than 30,000 men, women, and children. This organization has been recognized for its efforts in the areas of character development, teen programs, homelessness, neighborhood revitalization, international partnership, and summer camps. The majority of the program recipients are low- or moderate-income.
- *Boys and Girls Club*- The entity operates in a low-income census tract. This organization was established to provide services to promote and enhance the development of boys and girls by instilling a sense of competence, usefulness, belonging, and influence. The majority of the program recipients are low- or moderate-income.
- *Rainbow Child Development Center*- The organization provides childcare services for low-income children in Worcester, particularly in the "Plumley Village", a subsidized housing project where its administrative offices and childcare programs are located. The Center's entire client population meets eligibility guidelines for subsidized childcare services. Approximately 30 percent of the children are referred to the agency by the Department of Social Services. The focus is to provide an educational, supportive, and safe environment that will allow children to develop and grow through participation and self-expression.
- *Rob Burton Training Village*- The mission of this organization is to re-focus, bring hope to, build confidence in, and enrich the lives of young men ages 11-17 in the Worcester area through spiritual, educational, and athletic training. The camp stresses diversity with a balanced roster of minority and non-minority campers. A majority of the participants are economically disadvantaged and either low- or moderate-income.

SERVICE TEST

The Service Test evaluates an institution's record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of an institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. An institution's retail banking services are evaluated pursuant to the following criteria: 1) the distribution of the institution's branches among geographies of different income levels; 2) the record of opening and closing branches, particularly branches in low- and moderate-income geographies or that primarily serve low- and moderate-income individuals; 3) the availability and effectiveness of alternative systems for delivering retail banking services; and 4) the ranges of services provided in low-, moderate-, middle-, and upper-income geographies. Commerce Bank's service activities are Satisfactory.

The Bank's systems for delivering retail-banking services are accessible to geographies and individuals of different income levels within its assessment area. The Bank's low-cost checking and saving account, as well as the convenience of its automated telephone banking service, customer service center, and website, are tailored to the convenience and needs of its assessment area.

Officers and employees of the Bank of have provided an adequate level of service activity in response to community needs. Retail banking services and products offer consumers flexibility and convenience. In addition, officers and employees of the Bank provide an adequate level of involvement in community organizations located throughout its assessment area. The following details the institution's services.

RETAIL BANKING SERVICES

Accessibility of Delivery Systems

Commerce Bank is headquartered in downtown Worcester, at 386 Main Street in a moderate-income census tract. The Bank maintains four branch locations in Worcester and eight branch locations in the following communities: Holden, Leominster, Marlborough, Milford, Shrewsbury, Webster, Westborough, and West Boylston. Five of the branches are located in moderate-income census tracts.

All branch locations are open weekdays from 7:00 a.m. to 7:00 p.m. The Bank also offers extended hours on Saturday, with branch locations open from 8:30 a.m. to 12:30 p.m.

All 12 branches offer access to ATMs. Two stand-alone ATMs are also available to customers at various locations. There are seven ATMs in Worcester and one each in Shrewsbury, Leominster, West Boylston, Westborough, Holden, Marlborough, Milford, and Webster. The ATMs are linked to the CIRRUS, NYCE, PLUS, DISCOVER, Mastercard, and VISA Networks.

Additionally, the Bank continues to participate in NYCE's Corporation Selective Surcharging Program, called SUM. The SUM network allows Commerce Bank's ATM cardholders free use at other SUM member ATMs. Three of the ATMs in Worcester are not connected to the SUM network. The ATMs located on Southbridge Street and Park Avenue in Worcester are cash dispensing facilities only.

Record of Opening and Closing Branches

The Bank maintains a Branch Office Closing and Opening policy. The policy details the procedures the Bank will follow before closing or opening a branch office. In April 2011, the Bank opened a branch in Worcester at 451 Lincoln Street, which is located in a middle-income census tract. There were no branch closings since the last evaluation.

Alternative Retail Banking Services

The Bank continues to offer a Visa Check Card (debit card), which performs all of the same functions as an ATM card, as well as the added buying power of Visa. Purchases are directly withdrawn from the customers' checking accounts.

Additionally, the Bank maintains a website at www.bankatcommerce.com. The website provides office hours and locations, information about various deposit and loan products, and other bank services available to customers. Consumer loan applications are available and can be submitted to the Bank electronically. The Bank also offers Mane-Link, their internet banking service. Mane-Link provides customers with 24-hour, 7-day-a-week access to their accounts. Customers can access checking and savings accounts, consumer loans, certificates of deposits, and IRAs. Transfers can be made between linked accounts. Also, Mane-Link users can access free On-Line Bill Payment.

Accessibility of Delivery Systems

The Bank has a 24-hour customer telephone system called Telebank Mane-Line that permits customers to verify balances, transfer funds between accounts, make loan payments, place stop payment orders, and inquire about checks or deposits.

The Bank offers a variety of services targeted toward businesses, organizations, and professionals, including: merchant credit card services, lockbox services, currency and coin services, night deposit, wire transfers, payroll processing services, direct deposit, cash management services, account reconciliation services, sweep accounts, zero balance services, CommerceCents, and remote deposit services.

Bank-by-mail is a free service available to all customers that allows them to send in deposits and loan payments to the Bank.

Other Retail Services

The Bank participates in the Massachusetts Community and Banking Council's (MCBC) Basic Banking Program. As a participant, the Bank offers low-cost checking and savings accounts, thus making bank accounts affordable for all segments of the population. The Bank also participates in the free government check-cashing program and the free direct deposit check service.

Checking account services include free checking, interest checking, and Lion's Share Checking, Choice Checking, and CampusChoice Checking. Savings account services include Regular Savings, Lion's Share Savings, and various Club Savings accounts.

Free checking accounts are also offered to customers who have filed bankruptcy in the past. As long as individuals present the appropriate bankruptcy court documents, they may open this type of account. This is a non-interest bearing account with no monthly service charges, unlimited check writing and a one-time bonus of \$50.00 when direct deposit is established with the account.

Commerce Bank offers a children's interest bearing Cub Savings Account as part of the "Savings Makes Cents Program" promoted by the Massachusetts State Treasurer. This school-banking program was developed to teach the value of money management to elementary school children. Designed to encourage local schools and banks to work together to teach children basic monetary concepts, school children are encouraged to open savings accounts and perform basic transactions on "banking day." To encourage children to save, the minimum balance to open the Cub Savings Account is only \$10.00, with no minimum balance to earn interest. There are no monthly service charges.

On November 10, 2006, the Bank waived all wire fees for customers who receive Holocaust restitution payments. Approximately 2,000 Holocaust survivors, who reside in Massachusetts, receive reparations or restitution payments from Germany and other European countries because of status as a victim of Nazi persecution. Recipients of these payments are often charged international wire fees when these funds are transferred to their bank accounts. Waiving these fees allow the Holocaust survivors to fully benefit from the payments that are available to them. The Bank also set up accounts with no fees for these customers.

Community Development Services

The Bank provides an adequate level of community development services, and its efforts reflect a positive responsiveness to the needs of the assessment area. Commerce Bank, through the participation of employees, is involved with community organizations that address affordable housing, financial literacy, and economic development opportunities for small business lending within the assessment area. Through such involvement, the staff lends their technical and financial expertise, experience, and judgment to these organizations. Detailed below are the Bank's qualified community development services.

Holy Trinity Nursing & Rehabilitation Center-Provides community services targeted to low- or moderate-income individuals; including community based child care, educational, health, or social services targeted to low- or moderate-income persons. A Vice President currently serves as a Board Member.

United Way-The United Way offers and supports numerous community services targeted to low- and moderate-income individuals. Approximately 80 percent of the organization's funds are directed towards the needs of low- and moderate-income individuals and families. Various bank employees are involved with the United Way. The Bank created its own internal fund raising committee that benefits the United Way. Employees of the Bank also participated in Participated in the United Way Loaned Executive Program and promoted public awareness of the community services provided by the United Way targeted to low- or moderate-income persons.

Francis Perkins Shelter - An employee of the Bank participated in teaching a savings program for low-income individuals.

Worcester Alliance for Economic Inclusion. – Several employees of the Bank participate in the Worcester chapter of the FDIC's national initiative to establish broad-based coalitions of financial institutions, community-based organizations and other partners in several markets across the country to bring all unbanked and underserved populations into the financial mainstream.

Educational Services and Seminars

Bank officers and employees participated in seminars and workshops sponsored or co-sponsored by the Bank during the evaluation period. These seminars provided opportunities for Bank representatives to inform attendees about the products and services offered by the Bank and to gain information about unmet credit needs in the assessment area. The following list includes some of these seminars.

Money Smart

This is an adult financial education program established by the FDIC for building knowledge, security, and confidence. Employees provide instruction in this program to low- and moderate-income individuals and senior citizens in the Worcester area.

United Way, Women's Initiative

The Bank was very active in helping with this initiative. Many of the Bank's employees participated in educating young women about the importance of how to earn, save, spend, and invest money.

Dollar Diva

This program sponsored by the Woman's Initiative for the United Way teaches financial literacy for low- to moderate-income 8th grade girls.

Savings makes cents

Savings Make Cents is a banking program for elementary school children which focuses on the ABC's of money management. Local schools and banks work together to teach children basic monetary concepts, including how to open a savings account, the origin of money, and basic budgeting skills. The Bank offered this program to a number of Worcester area schools.

METROPOLITAN AREAS

Conclusions about the Bank's CRA-related activities must also be provided for each metropolitan area in which the Bank maintains a branch office. Ratings are not assigned under the Lending, Investment, and Service Tests in each MSA. Therefore, in the sections that follow, separate descriptions and analyses for the Worcester, MA MSA and the Cambridge-Newton-Framingham, MA MD are provided.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN 49340: WORCESTER, MA MSA (full-scope review)

Commerce Bank maintains 12 of its 13 branches (92.3 percent) within this MSA portion of its assessment area.

As previously discussed in the *Description of Assessment Area* section, the Worcester, MA MSA encompasses 31 (93.9 percent) of the Bank's assessment area cities and towns. This segment is composed of 121 census tracts, of which 12 are low-income, 23 are moderate-income, 59 are middle-income, and 26 are upper-income census tracts. One census tract does not have an income level designation. These represent 92.4 percent of the assessment area census tracts.

Total population of the area is 554,365, nearly half of which reside within middle-income census tracts, and consists of 91.1 percent of the assessment area population. There are 211,217 households, of which 25.0 percent are low-income, 15.4 percent are moderate-income, 18.3 percent are middle-income, and 41.2 percent are upper-income households. The distribution of the area's 141,204 families by income level is comparable to the overall distribution of the area's 141,204 families by income level. Furthermore, of the area's 130,198 owner-occupied housing units, 1.5 percent are in low-income geographies, 9.0 percent are in moderate-income geographies, 56.3 percent are in middle-income geographies, and 33.2 percent are located within the area's upper-income geographies.

The distribution of the 43,616 businesses throughout the area is as follows: 7.7 percent in low-income geographies, 19.0 percent in moderate-income geographies, 45.2 percent in middle-income geographies, and 28.0 percent in upper-income geographies. Businesses in this MSA represent 88.5 percent of all businesses throughout the Bank's designated assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN 49340: WORCESTER, MA MSA (full-scope review)

LENDING TEST

Home Mortgage Loans

All the home mortgage loans originated by Commerce Bank, in its assessment area in 2009, were within this MSA. It should be noted that this constitutes only 12 loans. As noted previously, East-West was not included in this portion of the analysis.

The geographic distribution of loans reflects a penetration of loans throughout low- and moderate-income census tracts that is fairly consistent with the distribution of owner-occupied housing units in the area. The Bank extended 1.6 percent of its home mortgage loans in low-income census tracts and 14.0 percent in moderate-income census tracts compared to 3.0 percent and 10.7 percent of owner-occupied units in low- and moderate-income tracts, respectively. The low percentage of

originations in low-income tracts is mitigated by the area's economic conditions, including the rising cost of housing and the fact that 34.3 percent of households in the low-income tracts are below the poverty level.

The Bank also extended 10.3 percent of its home mortgages to low-income borrowers and 22.2 percent to moderate-income borrowers in the area during 2009. Although the record of lending to low-income borrowers is less than the percentage of low-income families in the area, the Bank exceeded the aggregate lending performance by almost 5 percent. The Bank's record of lending to moderate-income borrowers exceeds both the percentage (17.4) of moderate-income families in the area as well as the aggregate lending performance of 18.5 percent.

Small Business Loans

The Bank extended 75 small business loans totaling \$9.7 million in the area in 2009, representing 96.2 percent of all originations throughout the designated assessment area. This level of lending is commensurate with the percentage of small businesses (88.5 percent) and census tracts (92.4 percent) within this portion of the assessment area.

Overall, the distribution of small business loans by income level of census tract is consistent with the Bank's overall performance discussed in the *Conclusions with Respect to Performance Tests* section. Similarly, the penetration of loans to businesses of different sizes and the distribution of loans by loan amount are largely representative of the Bank's overall performance under the small business borrower profile criterion.

Community Development Lending

A significant majority of the Bank's community development lending activity directly benefited the cities and towns within the Worcester, MA MSA.

Innovative or Flexible Lending Products

Commerce Bank's limited innovative and flexible loan programs are available throughout all MSA areas that are part of the Bank's designated assessment area.

INVESTMENT TEST

All of the Bank's equity investments in FNMA mortgage-backed securities are secured by properties in Worcester County (i.e., the Worcester, MA MSA). However, based on the other equity investments, it is not possible to determine what portion was devoted to this MSA since the targeted region for the investment is all of Massachusetts. Additionally, a majority of the Bank's equity and equity-type investments by dollar volume were to organizations in the greater Worcester area. The remainder serves statewide or regional areas, including this MSA.

SERVICE TEST

The Bank's retail services in the assessment area portion of this MSA are consistent with the Bank's overall performance. Commerce Bank's retail products and services are accessible consistently throughout the entire assessment area though the use of alternative delivery systems and extended business hours. The Bank also provides a proportionate level of community development services dedicated to this MSA.

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN 15764:
CAMBRIDGE-NEWTON-FRAMINGHAM, MA MD (limited-scope review)**

Commerce Bank operates only one branch office in this MD, in the Town of Marlborough.

The Cambridge-Newton-Framingham, MA MD accounts for only two of the Bank's designated assessment area cities and towns (Hudson and Marlborough). These two municipalities encompass 10 census tracts, of which 2 are designated moderate-income and 8 middle-income.

Total population of the area is 54,368, representing 8.9 percent of the Bank's designated assessment area population. Seventy-five percent of the area's population resides in middle-income census tracts. There are 21,500 households in the area, of which 21.0 percent are low-income, 15.4 percent are moderate-income, 20.6 percent are middle-income, and 43.0 percent are upper-income.

The distribution of the area's 14,254 families by income level is consistent with the household distribution. Based on the configuration of this portion of the assessment area, it follows that a significant majority of the area's owner-occupied housing units are located in the middle-income census tracts (78.2 percent), while 21.8 percent are located in the moderate-income census tracts. A total of 5,022 businesses are located in the area, the majority, or 76.0 percent of which, are located in middle-income geographies. The area's 5,022 businesses represent only 11.7 percent of total businesses throughout the Bank's entire assessment area.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN 15764:
CAMBRIDGE-NEWTON-FRAMINGHAM, MA MD (limited-scope review)**

A review of Bank loan data revealed that the Bank's performance in this MD was commensurate with that of its overall performance with respect to the various analyses conducted under the Lending Test. However, since no home mortgage loan and three small business loans were originated in this segment of the Bank's assessment area in 2009, a full analysis of the Bank's performance under each of the Lending Test criterion would not serve any useful purpose.

Commerce Bank's innovative and flexible loan programs are available consistently throughout all MSA areas that are part of the Bank's designated assessment area.

Generally, the institution's lending, investment, and service performance in this MD is consistent with the institution's lending, investment, and service performance overall.

APPENDIX A MINORITY APPLICATION FLOW

A review of residential loan applications was conducted in order to determine the number of HMDA-reportable credit applications the Bank received from minority applicants. Between January 1, 2009, and December 31, 2010, the Bank received a total of 686 residential loan applications from within its assessment area. During this period, 35 credit applications were received from minority applicants from racial and ethnic backgrounds. Of the total applications received from minority applicants, 18 or 51.4 percent were originated. Refer to the following table for further details.

MINORITY APPLICATION FLOW								
RACE	2009 Bank Data		2009 Aggregate Data		2010 Bank Data		Bank Total	
	#	%	#	%	#	%	#	%
<i>American Indian/ Alaska Native</i>	1	0.3	92	0.2	0	0.0	1	0.1
<i>Asian</i>	4	1.0	2,184	4.9	7	2.4	11	1.6
<i>Black/ African American</i>	2	0.5	771	1.7	2	0.7	4	0.6
<i>Hawaiian/ Pacific Isl.</i>	0	0.0	40	0.1	0	0.0	0	0.0
<i>2 or more Minority</i>	0	0.0	20	0.1	0	0.0	0	0.0
<i>Joint Race (White/Minority)</i>	3	0.8	450	1.0	2	0.7	5	0.7
Total Minority	10	2.6	3,557	8.0	11	3.8	21	3.0
<i>White</i>	322	82.1	31,078	69.8	252	85.7	574	83.7
<i>Race Not Available</i>	60	15.3	9,872	22.2	31	10.5	91	13.3
Total	392	100.0	44,507	100.0	294	100.0	686	100.0
ETHNICITY								
<i>Hispanic or Latino</i>	7	1.8	1,093	2.5	7	2.4	14	2.0
<i>Not Hispanic or Latino</i>	324	82.6	33,142	74.5	252	85.7	576	84.0
<i>Joint (Hisp/Lat / Not Hisp/Lat)</i>	1	0.3	333	0.7	2	0.7	3	0.4
<i>Ethnicity Not Available</i>	60	15.3	9,939	22.3	33	11.2	93	13.6
Total	392	100.0	44,507	100.0	294	100.0	686	100.0

Source: US Census, HMDA LAR, HMDA Aggregate Data

The Bank's minority application flow for this period was compared with the racial composition of the assessment area and the 2009 aggregate data for all other HMDA reporters within the assessment area. The comparison of data assists in deriving reasonable expectations for the rate of applications the Bank received from minority credit applicants.

According to 2000 Census Data, Commerce Bank's assessment area contained a population of 608,733 individuals, 15.9 percent of which is representative of various minority groups. Specifically, 2.9 percent of the people within the assessment area are identified as Black, 3.3 percent are Asian, 0.2 percent are American Indian, 7.7 percent are Hispanic, and 1.8 are defined as other race. While the number of minority applications remained constant from 2009 to 2010, the decrease in total applications increased the proportion of minority applications from 2.6 percent in 2009, compared to 3.8 percent in 2010. This level of application flow is also below the 2009 aggregate data, which had total minority applications at 8.0 percent. Concerning ethnicity, 7 applications were received from Hispanic applicants in each year. The proportion of Commerce Bank's 2009 ethnicity applicants, 1.8 percent, was below the aggregate's percentage of 2.5 percent.

APPENDIX B

General Definitions

GEOGRAPHY TERMS

Census Tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Metropolitan Area (MA): One or more large population centers and adjacent communities that have a high degree of economic and social integration. Each MA must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MA comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MAs are composed of cities and towns rather than whole counties.

Metropolitan Statistical Area (MSA): One or more metropolitan areas that have economic and social ties.

Primary Metropolitan Statistical Area (PMSA): A large urbanized county or cluster of counties that demonstrate very strong internal economic and social links, in addition to close ties to other portions of the larger area. If an area qualifies as an MA and has more than one million persons, PMSAs may be defined within it.

Consolidated Metropolitan Statistical Area (CMSA): The larger area of which PMSAs are component parts.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

HOUSING TERMS

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family which is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

INCOME TERMS

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Family Income: Includes the income of all members of a family that are age 15 and older.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of geography.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of geography.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of geography.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

OTHER TERMS

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

Small Business Loan: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks and the Federal Deposit Insurance Corporation, at 386 Main Street, Worcester, MA 01615."

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.